



City of Pflugerville

Legislation Text

File #: 2022-0002, **Version:** 1

Approving an Agreement for the Transfer of Water Certificate of Convenience and Necessity Service Area (Property Within City's Extraterritorial Jurisdiction) between the City and Manville Water Supply Corporation and authorizing the City Manager to execute same.

The City has been engaged in intermittent negotiations with the Manville WSC for water Certificate of Convenience and Necessity (CCN) transfers since 2015. Due to the nature of processing the CCN transfers through the Public Utility Commission (PUC), the City and Manville agreed to break the CCN acquisition into two agreements, separating the CCN in the City limits from the CCN in the extraterritorial jurisdiction (ETJ). The first of the two agreements was previously approved by City Council on November 12, 2019 for areas of CCN acquisition that are within the Pflugerville City Limits. This agenda item includes the second agreement to allow CCN acquisition areas in the city's ETJ where it makes sense from a continuity of service for the City to be the retail provider.

A CCN grants a CCN holder the exclusive right to provide retail water or sewer utility service to an identified geographic area. Chapter 13 of the Texas Water Code requires a CCN holder to provide continuous and adequate service to the area within its CCN boundary.

The latest CCN transfer in the first agreement, including 2,829 acres from Manville to the City, was approved by the Texas Public Utility Commission in 2021 following an Agreement for the Transfer of Water Certificate of Convenience and Necessity Service Area that was executed in December 2019 and later amended in August 2020. The transfer included CCN area but no infrastructure or property acquisition. In accordance with the terms of the Agreement, the City compensated Manville for the transfer of 2,604.97 acres of the total 2,829 acres at \$1,400/ acre.

Based on previous discussions with Manville, the 2020 Water Master Plan defined a water service area that was used for planning purposes to support the build-out scenario for the City's future water system. The additional transfer of CCN in portions of the City's ETJ that are included in the proposed agreement were accounted for in planning the future of the City's water system and water supply .

The proposed acquisition area as shown, consisting of 438.3 acres within the city's ETJ at a rate of \$1400/acre, results in a total consideration of \$613,620. Upon approval and execution of the agreement by the City and Manville, an application will be submitted to the PUC to process the amendment. The Manville Board approved the agreement at their Board Meeting on December 9, 2021.

The previous Mayor Pro Omar Peña assisted City staff through the negotiation process for the agreement.

Deadline for City Council Action

Consideration is requested on January 11, 2022

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: \$613,6200 in water CIP

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: December 6, 2021

Supporting documents attached:

Agreement with Exhibit

Draft Slides

Recommended Action

Approve an Agreement for the Transfer of Water Certificate of Convenience and Necessity Service Area (Property Within City's Extraterritorial Jurisdiction) between the City and Manville Water Supply Corporation and authorizing the City Manager to execute same.